

<b>ACF</b>  Administration  for Children  and Families	<b>U.S. Department of Health and Human Services</b>	
	<b>1. Log No:</b> CCDF-ACF-PI-2022-01	<b>2. Issuance Date:</b> March 15, 2022
	<b>3. Originating Office:</b> Office of Child Care	
	<b>4. Key Words:</b> Child Care and Development Fund (CCDF), Reallotment, Financial Reporting, States and Tribes	

### PROGRAM INSTRUCTION

- TO:** State and Tribal Child Care and Development Fund (CCDF) lead agencies administering child care programs under the Child Care and Development Block Grant Act of 1990 (the CCDBG Act), as amended, and other interested parties.
- SUBJECT:** Federal fiscal year (FFY) 2022 CCDF Discretionary program funds reallotment process.
- REFERENCES:** The Child Care and Development Block Grant (CCDBG) Act of 1990 as amended; section 418 of the Social Security Act; 45 CFR Parts 98 and 99; Supplemental Appropriations for Disaster Relief Act of 2019 (Pub. L. 116-20); Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116-136); Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act (Pub. L. 116-260); and section 2202 of the American Rescue Plan (ARP) Act (Pub. L. 117-2).
- PURPOSE:** This Program Instruction (PI) distributes instructions for CCDF lead agencies to report CCDF Discretionary program funds that they will be unable to obligate by the obligation period ending September 30, 2022.
- BACKGROUND:** 45 CFR 98.64 authorizes the Department of Health and Human Services to reallot CCDF Discretionary program funds that a State or Tribal lead agency will not be able to obligate by the end of the obligation period to other State and Tribal lead agencies. Each year, State and Tribal lead agencies must report to the Administration for Children and Families (ACF) by April 1, 2022, the dollar amount that it will be unable to obligate by the end of the obligation period.

*Funds that are not obligated by the end of their obligation period will revert to the Federal government (45 CFR 98.60 (d) and (e)).*

*Note:* In accordance with 45 CFR 98.64(b), only the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico are eligible to receive reallocated funds that are reported as unobligated by State CCDF lead agencies. Funds unobligated by State lead agencies will be reallocated to other State lead agencies. Funds unobligated by Tribal lead agencies will be reallocated to other Tribal lead agencies. Discretionary funds awarded to the Territories are not subject to reallocation.

On September 30, 2022, the following funding streams will reach the end of their obligation period. The reallocation process applicable to regular CCDF Discretionary program funds is also applicable to these supplemental CCDF Discretionary funding streams.

**CCDF Discretionary Program Funds with obligation periods ending 9/30/2022:**

<b>Regular Funding:</b>	<b>Grant Document Number (GDN):</b>
GY 2021 Discretionary	21****CCDD
<b>Supplemental Funding:</b>	
GY 2021 Disaster Relief Supplemental Discretionary (final \$90K installment)—not related to COVID-19, but rather to other disasters	21****CCDX
GY 2020 CARES Act Supplemental Discretionary	20****CCC3
GY 2021 CRRSA Act Supplemental Discretionary	21****CCC5
GY 2021 ARP Act Stabilization <sup>1</sup>	21****CSC6

The above-referenced obligation deadlines do not apply to funds transferred to construction because they do not have separate obligation deadlines, including funds that are transferred to construction and later approved for non-construction CCDF purposes. The one exception is for CARES Act CCDF program funds used for construction (GDN: 20\*\*\*\*CYC3) because the CARES Act explicitly included an obligation deadline of September 30, 2022. Additionally, the reallocation process is not applicable to funds transferred to a construction GDN.

State and Tribal lead agencies that will be able to obligate their CCDF Discretionary program funds by September 30, 2022 do not need report on their obligation status by April 1, 2022.

Tribes that have consolidated their CCDF program into a Pub. L. 102-477 Plan are not subject to CCDF obligation deadlines, and therefore

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<sup>1</sup> GY 2021 ARP Act CCDF Supplemental Discretionary funds are NOT included in this PI because they have a later obligation deadline of 9/30/2023.

are not required to report funds that cannot be obligated by September 30, 2022.

After State and Tribal lead agencies report to ACF that they have CCDF Discretionary program funds that they will not be able to obligate by end of the obligation period, those funds will be de-obligated from the reporting lead agencies. ACF will then reallocate those funds to State and Tribal lead agencies that requested to receive reallocated funds on the ACF-696 and ACF-696T financial report forms (see PIs for the ACF-696 and ACF-696T on the Office of Child Care [website](#)).

Note: Tribes that have consolidated their CCDF program into an approved Pub. L. 102-477 Plan requested reallocated funds in their current triennial Child Count Certifications submitted to ACF on July 1, 2019.

**SUBMISSION:** State and Tribal lead agencies that will be unable to obligate their CCDF Discretionary program funds by the obligation period ending September 30, 2022, must inform ACF by April 1, 2022. Lead agencies should email a letter signed by an official authorized to make financial decisions (e.g., Tribal Chair, Agency Director) to their [Office of Child Care \(OCC\) Regional Program Manager](#) and ACF Regional Grants Management Specialist (for [States](#) and [Tribes](#)). The email should report the amount of funds for each of the funding streams listed above that the lead agency will be unable to obligate (i.e., provide a separate dollar amount for each funding stream).

Lead agencies are responsible for ensuring that the funds reported in the letter are available for de-obligation. In other words, the amount reported as unable to be obligated should be equal to or less than the authorized amount on the grant, minus drawdowns in the Payment Management System (PMS).

**NON-REPORTING PENALTIES:** Any CCDF program funds that do not meet the obligation timeframes will revert to the Federal Treasury pursuant to 45 CFR 98.60 (d) and (e). By providing the timely notification of any unused CCDF Discretionary program funds by April 1, 2022, a lead agency will ensure that these unused funds are instead made available for use by other jurisdictions for CCDF program purposes.

Providing this notification of CCDF Discretionary program funds that will not be obligated by the end of the obligation period will not affect the lead agency's allocation amount in future fiscal years.

**INQUIRIES:** Inquiries should be directed to the appropriate ACF Regional Office.

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Director  
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